

## CANADA MALTING CO., LIMITED

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of CANADA MALTING CO., LIMITED (hereinafter called "the Company") will be held at The Royal York Hotel, in the City of Toronto, Ontario, on Thursday, the 27th day of April, 1972, at 11:30 a.m. (Toronto Time), for the following purposes:

1. To receive and consider the report of the Directors of the Company, and the consolidated financial statements of the Company for the year ended December 31, 1971, together with the auditors' report thereon.
2. To elect a Board of Directors and an Honorary Director for the ensuing year.
3. To appoint auditors for the ensuing year, at a remuneration to be fixed by the Board of Directors.
4. To consider and, if thought fit, confirm By-law No. 24 of the Company, as enacted by the Board of Directors at a meeting held on the 2nd day of February, 1972, being a by-law respecting the indemnification of Directors and Officers of the Company. A copy of the by-law is set forth in the Information Circular enclosed herewith.
5. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Dated at Toronto, Ontario, this 1st day of March, 1972.

By Order of the Board of Directors,

REGINALD J. THOMAS,

Secretary.

**Note:** If you are the holder of common shares of the Company and are unable to be present in person, kindly complete, sign, and return to the Secretary the enclosed form of proxy, in the envelope provided.



## **INFORMATION CIRCULAR**

This Information Circular accompanies Notice of Annual Meeting of Shareholders of Canada Malt-ing Co., Limited (hereinafter called "the Company") called for Thursday, the 27th day of April, 1972, and is furnished in connection with a solicitation of proxies for use at that Meeting. The Annual Report of the Directors for the fiscal year ended December 31, 1971, including consolidated financial statements, is being mailed to the Shareholders of record concurrently with this Circular.

## **REVOCABILITY OF PROXIES**

A Shareholder giving a proxy has the power to revoke it at any time before it is exercised. A proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing and, if the Shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized. Any such instrument and any such authorization must be deposited either at the Head Office of the Company or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

## **SOLICITATION OF PROXIES**

Proxies for the Meeting are being solicited by the Management of the Company, and the cost of solici-tation will be borne by the Company.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

Only holders of common shares without par value of the Company will be entitled to vote at the Meeting. Each share registered in a Shareholder's name on the date of the Meeting entitles him to one vote. As at March 1, 1972, the Company has 863,888 common shares outstanding.

The Directors and Officers of the Company have no knowledge of any person or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all shares of the Company.

## **PROXIES AND VOTING**

Shareholders unable to attend the Meeting are requested by Management to complete, sign, and return the accompanying proxy form. Proxies deposited with the Secretary of the Company at any time up until the opening of the Meeting may be voted if otherwise valid.

Shares represented by proxy forms in favour of Management will be voted in accordance with the directions given therein by the Shareholders. In the absence of such directions, such shares will be voted in favour of the approval of the Annual Report of the Directors and consolidated financial statements for the year ended December 31, 1971, in favour of the election of Directors and Honorary Director proposed by Management, for the appointment of Price Waterhouse & Co., as auditors, and for the confirmation of By-law No. 24 of the Company.

The Management knows of no other matters to come before the Meeting. However if any other mat-ters which are not known to the Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

A holder of common shares has the right to appoint a person to represent him at the Meeting other than the persons designated in the enclosed form of proxy. To exercise this right such holder should strike out the printed names and insert the name of his nominee in the space provided.

## **ELECTION OF DIRECTORS**

The Board consists of ten Directors elected annually. It is proposed that the following, all presently Directors of the Company, will be nominated at the Meeting. Proxy forms given pursuant to this solicitation will be voted for their election. If for some reason any of the proposed nominees are unable to serve, the persons named in the proxy will use their best judgment in voting on alternate nominees.

The information as to equity shares of the Company beneficially owned, not being within the knowledge of Management, has been furnished by the respective nominees individually.



<u>Name of Proposed Nominee</u>	<u>Principal Occupation</u>	<u>Director since</u>	<u>Approximate Number of Common Shares Beneficially Owned Directly or Indirectly as of March 1, 1972</u>
Douglas W. Ambridge, C.B.E., B.Sc.	Honorary Chairman of the Board, Abitibi Paper Company, Ltd., Toronto, Ontario, and a Director of a number of other companies.	1958	604
Nigel B. Baird, T.D., B.Sc.	Chairman and Managing Director of Hugh Baird & Sons, Ltd., Scotland.	1963	4
Stanton J. Burkett	Vice-President Sales of the Company.	1970	400
Eric S. Clarke	Retired. Mr. Clarke was formerly Chairman and Chief Executive Officer of the Company.	1927	4,104
Harry F. Graesser	President and Chief Executive Officer of the Company.	1962	1,400
W. Douglas Hatch	President of T. G. Bright & Co., Limited, Niagara Falls, Ontario.	1959	400 *
Ralph B. McDonald	Company Manager at Winnipeg and representative on The Winnipeg Grain Exchange since 1954.	1969	2,000
Gordon McMillan, Q.C.	Partner in the law firm of McMillan, Binch, Toronto, Ontario.	1946	200
George H. Sellers	President and Chief Executive Officer of Federal Grain Limited, Winnipeg, Manitoba.	1960	404
Reginald J. Thomas	Vice-President Finance and Secretary of the Company.	1966	2,350

\* These shares are in addition to the 16,592 shares held in trusts, from which W. Douglas Hatch receives the life income.

### ELECTION OF HONORARY DIRECTOR

Shareholders may elect as an Honorary Director any Shareholder who was a member of the Board of Directors at the time of the commencement of the first annual meeting of Shareholders after he attained the age of seventy-five years. It is proposed that the undermentioned will be nominated at the Meeting.

<u>Name</u>	<u>Approximate Number of Common Shares Beneficially Owned Directly or Indirectly as at March 1, 1972</u>
John P. Heighton	304

Mr. Heighton was formerly a Director and Secretary-Treasurer of the Company.

## REMUNERATION OF MANAGEMENT AND OTHERS

The aggregate direct remuneration paid or payable by the Company to its ten Directors for services as Directors for the financial year ended December 31, 1971 was \$14,200. The aggregate direct remuneration paid or payable by the Company to its five Officers (also being the Senior Officers) for their services as Officers for the said financial year was \$169,174. Four of such Officers are also Directors.

The estimated aggregate cost to the Company in the financial year ended December 31, 1971, of all benefits proposed to be paid to the immediately aforesaid persons under existing plans on retirement at the normal retirement age, either directly or indirectly, was \$25,700 for Officers.

## APPOINTMENT OF AUDITORS

Price Waterhouse & Co., of Toronto, Ontario, have been auditors of the Company since 1927. Proxy forms given pursuant to this solicitation will be voted for their re-election at a remuneration to be fixed by the Board of Directors.

## BY-LAW NO. 24

By-law No. 24 is a By-law respecting indemnification of Directors and Officers. The By-law sets forth the provisions of The Canada Corporations Act respecting the extent to which Directors may be indemnified by the Company. The By-law also provides for the same indemnification treatment for Officers. There is not now pending against any Director, Officer or Employee of the Company any litigation to which the By-law would apply and Management does not know of any threatened litigation against any Director, Officer or Employee of the Company or any acts or action on the part of such individuals which might form the basis of any such litigation. A copy of the By-law is set forth below:

BE AND IT IS HEREBY ENACTED as By-law No. 24 of CANADA MALTING CO., LIMITED (hereinafter called "the Company") that:

1. Every Director and Officer of the Company and his heirs, executors and administrators and estate and effects respectively may from time to time and at all times be indemnified and saved harmless out of the funds of the Company from and against:
  - (a) all costs, charges and expenses whatever that such Director or Officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him, for or in respect of any act, deed, matter or thing whatever, made, done or permitted by him, in or about the execution of the duties of his office, and
  - (b) all other costs, charges and expenses that he sustains, or incurs, in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own wilful neglect or default.
2. All prior By-laws, resolutions and proceedings of the Company inconsistent herewith are hereby amended, modified and revised in order to give effect to this By-law.

ENACTED this 2nd day of February, 1972

WITNESS the corporate seal of the Company

HARRY F. GRAESSER, President

REGINALD J. THOMAS, Secretary

Toronto, Ontario  
March 1, 1972



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*Head Office*  
Box 248 - Terminal A  
TORONTO - ONTARIO

CANADA  
MALTING CO.  
LIMITED



REPORT TO  
SHAREHOLDERS

*Malthouses and Elevators*

Montreal, Que.                      Winnipeg, Man.  
Toronto, Ont.                      Calgary, Alta.  
Thunder Bay, Ont.

For the six months  
ended June 30, 1972

**CANADA MALTING CO.  
LIMITED**

**Consolidated Earnings for the Six Months ended June 30, (unaudited)**

**TO OUR SHAREHOLDERS:**

We submit herewith a Consolidated Statement of Earnings and Source and Application of Funds for the six months ended June 30, 1972.

Net earnings per common share, after providing for cumulative preferred dividends to June 30, were \$1.43, compared with \$1.44 for the same period last year.

The operating profit of the malting division was down from a year ago because of higher costs without a compensating increase in volume. Reduced income tax rates together with higher earnings from our subsidiary, Leaver Mushrooms Co. Limited, were offsetting factors in the net consolidated figures.

Total malt shipments for the period were approximately the same as a year ago but exports were lower because of the Japanese seamen's strike and the strike by the longshoremen in Montreal. Both these situations have now been resolved and shipments have returned to normal.

On behalf of the Board

Harry F. Graesser,  
President.

TORONTO, ONT.  
July 31, 1972

	<u>1972</u>	<u>1971</u>
Net Sales .....	\$24,379,244	\$23,606,961
Costs and expenses:		
Cost of products sold and all expenses except items shown below: .....	20,635,504	19,794,127
Interest on debentures .....	48,000	48,000
Bank and other interest .....	180,237	139,230
Provision for depreciation .....	735,488	617,330
Amortization of leasehold interests .....	24,600	24,270
	<u>21,623,829</u>	<u>20,622,957</u>
Earnings from operations .....	2,755,415	2,984,004
Investment and other income .....	21,130	19,987
	<u>2,776,545</u>	<u>3,003,991</u>
Provision for income taxes .....	1,401,500	1,671,000
Earnings before minority interest .....	1,375,045	1,332,991
Minority interest in earnings of subsidiary .....	76,722	21,331
Net earnings for the period .....	<u>\$ 1,298,323</u>	<u>\$ 1,311,660</u>
Earnings per share after preferred dividends .....	<u>\$1.43</u>	<u>\$1.44</u>

**Source and Application of Funds for the Six Months ended June 30**

	<u>1972</u>	<u>1971</u>
Source of funds:		
Net earnings .....	\$ 1,298,323	\$ 1,311,660
Charges against earnings not affecting cash outlay –		
Provision for depreciation .....	735,488	617,330
Amortization of leasehold interests .....	24,600	24,270
Deferred income taxes .....	39,000	50,000
Minority interest in earnings of subsidiary .....	76,722	21,331
Funds provided from operations .....	<u>2,174,133</u>	<u>2,024,591</u>
Application of funds:		
Additions to fixed assets (net) .....	1,206,597	2,196,667
Dividends on Series B preferred shares (for the 12 months ended March 15) .....	134,328	134,328
Dividends on common shares .....	518,333	431,944
	<u>1,859,258</u>	<u>2,762,939</u>
Resulting in an increase (decrease) in working capital of .....	314,875	(738,348)
Working capital at beginning of year .....	9,171,891	10,387,605
Working capital at June 30 .....	<u>\$ 9,486,766</u>	<u>\$ 9,649,257</u>